

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
Draft Notification No. TNERC/ISOA/11/2-.... dated -2021.
(Comments invited by 31-12-2021)

The following draft of the amendments to the Tamil Nadu Electricity Commission(Grid Connectivity and Intra-State Open Access) Regulations 2014, which it is proposed to make in exercise of the powers conferred by section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling it in this behalf, is hereby published for information of all persons likely to be affected thereby, as required by sub section(3) of section 181 of the said Act.

2. Notice is hereby given that the draft amendment will be taken into consideration after expiry of thirty days from the date of publication of this Notification in the TNERC website and that any objection or suggestion, which may be received from any person before the expiry of the aforesaid period will be considered by the Commission.

3. Objection or suggestion, if any, should be addressed in duplicate to the Secretary, Tamil Nadu Electricity Regulatory Commission, 4th Floor, SIDCO Corporate Office Building, Thiru Vi Ka Industrial Estate, Guindy, Chennai-600 032.

AMENDMENT

In the said Regulations,-

(1) after sub-regulation (1) of regulation 19, the following sub-regulation shall be inserted, namely:-

“(2) Priority for adjustment of energy :

The priority for adjustment of energy drawn by an open access consumer from different sources shall be as per the following sequence of reducing priority and shall be implemented for each slot/time block (adjustment in time block applicable for short term inter State open access including power exchange transactions, and for other transactions as and when implemented), upon adjustment of applicable losses:

A. For the non captive category :

1) Thermal

- i) Long term
- ii) Medium term
- iii) Short term inter-State open access including power exchange transactions
- iv) Short term intra – State Open access

2. Renewable sources

- i) Solar
- ii) Wind
- iii) Bagasse based co-generation
- iv) Biomass generator

3) Distribution Licensee

Provided the priority of adjustment for all renewable energy sources put together shall be based on the term of agreement i.e Long term Power Purchase agreement followed by medium term and the short term inter state open access including power exchange transactions and short term intra State

Illustration: A consumer who purchases wind long term, solar short term, bagasse based co-generation long term, the order of adjustment shall be wind long term, bagasse based co-generation long term, solar short term

B. For the Captive category Thermal predominant:

1) Thermal -Captive

2) Renewable sources –captive and RPO

- i) Biomass

- ii) *Solar (higher applicable tariff first followed by lower tariffs)*
- iii) *Wind with banking of 1 month (higher applicable tariff first followed by lower tariffs)*
- iv) *Wind with banking of 12 months (higher applicable tariff first followed by lower tariffs)*
- v) *Bagasse based co- generation*

3) Third party power purchase (order as in A)

4) Distribution Licensee

C. For the Captive category Renewable energy sources predominant:

1. Captive sources

- i) *Biomass*
- ii) *Solar (higher applicable tariff first followed by lower tariffs)*
- iii) *Wind with banking of 1 month (higher applicable tariff first followed by lower tariffs)*
- iv) *Wind with banking of 12 months (higher applicable tariff first followed by lower tariffs)*
- v) *Bagasse based co- generation*
- vi) *Thermal energy*

2. Third party power purchase (order as in A)

3. Distribution Licensee

Provided the priority of adjustment for all renewable energy sources and thermal put together in Sl. No.1 shall be based on the term of agreement i.e Long term Power Purchase agreement followed by medium term and the short term inter state open access including power exchange transactions and short term intra State

Illustration: A consumer who purchases wind long term, thermal long term, solar short term, bagasse long term, the order of adjustment shall be wind long term, bagasse long term, thermal long term, solar short term.

(By order of the Tamil Nadu Electricity Regulatory Commission)

(S.Chinnarajalu)
Secretary

Explanatory Statement

Whereas TANGEDCO filed a petition in M.P No.24 of 2021 praying to the Commission to fix the order for priority of adjustment of energy when a HT consumer wheels/ purchases power from various sources of energy under open access. Commission directed TANGEDCO to host the petition and obtain views/ suggestions from stakeholders and to file the same before the Commission. Accordingly, the petition in M.P No.24 of 2021 was hosted in the public domain of TANGEDCO as well as that of TNERC on request by some of the petitioners. Comments have been obtained from stakeholders. In consideration of the comments received, and statutory provisions, the nature of source, the amendment to the Commission's Grid Connectivity and intra State Open Access Regulations 2014 fixing the order of adjustment priority to an open access consumer who sources energy from different sources is proposed.

The regulations have been framed on the basis that Renewable energy sources have the 'MUST RUN' status and therefore attract higher priority. At the same time, the requirement of renewable energy to an open access consumer as high priority depends on whether the renewable energy is his base consumption or is for the purpose of compliance of RPO . Energy generated from Captive power plants by the statutory provisions of the Act 2003/Electricity Rules 2005 are primarily for their own use and not less than 51% has to be consumed by the

captive users. The CPPs/Open access consumers are the obligated entities and have to satisfy the RPO fixed. Since captive consumers wheel power from various mix of sources , categories of thermal predominant and RE predominant have been framed i.e whichever captive source has higher capacity. Accordingly, the priority of adjustments have been fixed. .

By the statutory provisions in the Regulations and access rights of transmission capacities, preferences based on duration of open access are to be permitted and hence priority for long term followed by medium term and short term are duly made.

3. The inter se priority for RE sources is based on banking principles and principles of optimization of power purchase cost to the licensee. Stakeholders have requested for separate priorities for wind generators under normal scheme and under REC scheme. The wind energy generators commissioned prior to 1.4.2018 under the normal and REC schemes have 12 months banking and therefore do not require differential treatment with respect to banking. With respect to the cost of energy, Wind mills under REC scheme will inherently fit into the adjustment priority based on purchase price of unutilized energy i.e high cost first followed by low costs. This is in accordance with the principles of optimization of power purchase cost of the licensee as per the provisions of the Commission's Tariff Regulations.

(By order of the Tamil Nadu Electricity Regulatory Commission)

(S.Chinnarajalu)
Secretary

STATEMENT SHOWING EXISTING PROVISION AND PROVISION AS AMENDED

Tamil Nadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014

Existing provision	Provision as amended
<p>Common provisions for Open Access</p> <p>19. Allotment Priority. –</p> <p>(1) xxx</p>	<p>Common provisions for Open Access</p> <p>19. Allotment Priority. –</p> <p>(1) xxx</p> <p>“(2) <i>Priority for adjustment of energy :</i></p> <p><i>The priority for adjustment of energy drawn by an open access consumer from different sources shall be as per the following sequence of reducing priority and shall be implemented for each slot/time block (adjustment in time block applicable for short term inter State open access including power exchange transactions, and for other transactions as and when implemented), upon adjustment of applicable losses.</i></p> <p>A. For the non captive category :</p> <p>1) Thermal</p> <p>i) Long term</p> <p>ii) Medium term</p> <p>iii) Short term inter-State open access including power exchange transactions</p> <p>iv) Short term intra – State Open access</p>

2) Renewable sources

- i) Solar
- ii) Wind
- iii) Bagasse based co-generation
- iv) Biomass generator

3) Distribution Licensee

Provided the priority of adjustment for all renewable energy sources put together shall be based on the term of agreement i.e Long term Power Purchase agreement followed by medium term and the short term inter state open access including power exchange transactions and short term intra State

Illustration: A consumer who purchases wind long term, solar short term, bagasse based co-generation long term, the order of adjustment shall be wind long term, bagasse based co-generation long term, solar short term

B. For the Captive category Thermal predominant:

1) Thermal -Captive

2) Renewable sources –captive and RPO

- i) Biomass
- ii) Solar (higher applicable tariff first followed by lower tariffs)

	<p>iii) <i>Wind with banking of 1 month (higher applicable tariff first followed by lower tariffs)</i></p> <p>iv) <i>Wind with banking of 12 months (higher applicable tariff first followed by lower tariffs)</i></p> <p>v) <i>Bagasse based co- generation</i></p> <p>3) <i>Third party power purchase (order as in A)</i></p> <p>4) <i>Distribution Licensee</i></p> <p>C. <i>For the Captive category Renewable energy sources predominant:</i></p> <p>1. <i>Captive sources</i></p> <p>i) <i>Biomass</i></p> <p>ii) <i>Solar (higher applicable tariff first followed by lower tariffs)</i></p> <p>iii) <i>Wind with banking of 1 month (higher applicable tariff first followed by lower tariffs)</i></p> <p>iv) <i>Wind with banking of 12 months (higher applicable tariff first followed by lower tariffs)</i></p> <p>v) <i>Bagasse based co- generation</i></p> <p>vi) <i>Thermal energy</i></p> <p>2. <i>Third party power purchase (order as in A)</i></p>
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	<p>3. Distribution Licensee</p> <p><i>Provided the priority of adjustment for all renewable energy sources and thermal put together in Sl. No.1 shall be based on the term of agreement i.e Long term Power Purchase agreement followed by medium term and the short term inter state open access including power exchange transactions and short term intra State</i></p> <p><i>Illustration: A consumer who purchases wind long term, thermal long term, solar short term, bagasse long term, the order of adjustment shall be wind long term, bagasse long term, thermal long term, solar short term.</i></p>
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(By order of the Tamil Nadu Electricity Regulatory Commission)

(S.Chinnarajalu)
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